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* MEMBER OF THE HARMONIE GROUP

U.S. BANKRUPTCY COURT
FILED
CAMDEN, NJ

08 JUL - 8 PM 12:05

Jeanine D. Clark, Esq.
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jclark@margolisedelstein.com

JAMES J. WALDRON

BY: BTM
DEPUTY CLERK

July 2, 2008

30500.1-00028

Clerk, United States Bankruptcy Court
District Court of New Jersey
400 Cooper Street
Camden, NJ 08101

Re: In re: Shapes/Arch Holdings, LLC, et al.
Case No.: 08 - 14631


Dear Sir/Madam:

The undersigned represents the interests of creditor, Shaw Alloy Piping Products, Inc., i/p/a Alloy Piping Products in connection with the above-matter. I was advised by your office that as I do not regularly practice in the Bankruptcy Court, I would be permitted to file limited documents via regular mail. Enclosed for filing please find Creditor, Shaw Alloy Piping Products, Inc.'s objection to Debtors' Motion to Disallow claims for contribution and in the alternative the estimate claims. Kindly return the extra copy marked "filed" in the envelope provided for that purpose.

Should you have any questions or require additional information, please feel free to contact me. Thank you for your attention to this matter.

Very truly yours,

MARGOLIS EDELSTEIN

BY: 
Jeanine D. Clark
Attorney ID No.: JC6616

JDC:pm
Enclosure

cc: Honorable Gloria M. Burns
Jerrold N. Poslusny, Esquire
All Counsel of Record in the Bankruptcy Matter (Via E-mail Only)
All Liaison Counsel in the Pennsauken Landfill Litigation



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CAMDEN, NJ

08 JUL - 2 PM 12: 06

JAMES J. WALDRON
BY: BQM
DEPUTY CLERK

July 2, 2008

Jeanine D. Clark, Esq.
Direct Dial: 856.869.6734
clark@margolisedelstein.com

30500.1-00028

Honorable Gloria M. Burns
District Court of New Jersey
400 Cooper Street
Camden, NJ 08101

Re: In re: Shapes/Arch Holdings, LLC, et al.
Case No.: 08 - 14631

Dear Judge Burns:

The undersigned represents the interests of Creditor, Shaw Alloy Piping Products, Inc. i/p/a Alloy Piping Products, in connection with the above-matter. Kindly accept the following letter brief in lieu of a more formal objection to the Debtors' motion to disallow claims for contribution and in the alternative to estimate claims. Shaw Alloy Piping Products, Inc. is a third-party defendant in an environmental action venued in the Superior Court of New Jersey, Camden County, Law Division docketed as Pennsauken Solid Waste Management Authority, et al. v. Ward Sand Materials Co., Inc., et al., Docket No. CAM-L-13345-91 (hereinafter referred to as the "Pennsauken Litigation"). Shaw Alloy Piping Products has pled cross-claims against its fellow with third-party defendants and defendants in the Pennsauken Litigation. Further, the plaintiffs in the Pennsauken Litigation have brought the underlying litigation pursuant to the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11, et seq. which itself, provides a private right of contribution

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Judge Burns
July 2, 2008
Page 2

amongst alleged tortfeasors. Shaw Alloy Piping filed Proofs of Claims, attached hereto as Exhibit A.

As outlined in the objections filed on behalf of Combustion Engineering, Inc. and A. Mariani's Sons, Inc., Aluminum Shapes' potential liabilities in the Pennsauken Litigation arise not only out of its disposal of waste at the site but by virtue of the fact that it is an adjacent property owner whose use of its own site is alleged to have contributed to the contamination at the Pennsauken Landfill.

Shaw Alloy Piping Products, Inc. is a participant in the third-party defendant liaison counsel group and as such, has expended funds to pay liaison counsel fees in addition to ordinary defense costs. Shaw Alloy Piping Products, Inc. has further expended sums in the defense of this matter which include retention of an expert. Shaw Alloy Piping Products, Inc. was required to expend these sums in the Pennsauken Litigation as a consequence of being joined as a third-party defendant and asserts that, its cross-claims against Shapes/Arch Holdings, LLC are no less contingent than those of A. Mariani's Sons, Inc. Accordingly, for the reasons set forth in A. Mariani's Sons, Inc.'s opposition, the claims of creditor, Shaw Alloy Piping Products, Inc. i/p/a Alloy Piping Products should not be disallowed or limited in any respect.


Shaw Alloy Piping Products, Inc. i/p/a Alloy Piping Products, Inc. submits, that in the alternative, its claims against the insurers and claims to the proceeds of any of the Debtors' insurance policies must be preserved. It is well established that the proceeds of any insurance policy remain an asset of the bankrupt's estate. See, First Fidelity Bank v. McAteer, 985 F.2d 114 (3d Cir.

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Page 3

1993). Notwithstanding the protection of a debtor offered by the bankruptcy code, the insurance assets are nevertheless available to creditors or tort claimants for satisfaction of their claims. Moslimani v. Union Valley Corp., 271 N.J. Super. 147 (Law. Div. 1993). Accordingly, any Order entered by the Court which in any way disallows the claims of Alloy Piping Products, Inc. pursuant to Section 502(e) must expressly preserve Alloy Piping Products, Inc.'s right to recover from the Debtors' insurers.

Respectfully Submitted,

MARGOLIS EDELSTEIN
Attorneys for Creditor,
Shaw Alloy Piping Products, Inc. i/p/a Alloy Piping
Products, Inc.


BY: Jeanine D. Clark
Attorney ID No.: JC6616

JDC:pm

cc: Jerrold N. Poslusny, Esquire
All Liaison Counsel of Record in the Bankruptcy Matter (Via E-mail Only)
All Liaison Counsel in the Pennsauken Landfill Litigation

U.S. BANKRUPTCY COURT PROOF OF CLAIM

CAMDEN, NJ
Case Number:
08-14631

08 MAY 28 PM 4:20

JAMES	J. WALDRON	Check this box to indicate that this claim amends a previously filed claim.
-------	------------	---

BY: _____
ding, F-2 DEPUTY CLERK Number: _____
(If known)

DEPUTY CLERK
(If known)

Filed on:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

§

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (g)(5).

☐ Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. §507 (a)().

Amount entitled to priority:

S

**Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Amount of Secured Claim: \$ _____ **Amount Unsecured: \$** _____

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)


If the documents are not available, please explain:

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

B 10 (Official Form 10) (12/07)

UNITED STATES BANKRUPTCY COURT		U.S. BANKRUPTCY COURT FILED CAMDEN, NJ 08 MAY 28 PM 1:20
Name of Debtor: Shapes, LLC		Case Number: 08-14632
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case or a request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Shaw Alloy Piping Products, Inc. i/p/a Alloy Piping Products		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: Jeanine D. Clark, Esquire, Margolis Edelstein, 216 Haddon Avenue, Sentry Office Building, P.O. Box 92222, Westmont, NJ 08108		BY: <u>JEANINE D. CLARK</u> Court Clerk Name: (If known)
Telephone number: (856) 858-7200		Filed on: _____
Name and address where payment should be sent (if different from above): Telephone number: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ _____ If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)().
2. Basis for Claim: <u>Cross-claims in litigation</u> (See instruction #2 on reverse side.)		Amount entitled to priority: \$ _____
3. Last four digits of any number by which creditor identifies debtor: <u>N/A</u> 3a. Debtor may have scheduled account as: <u>N/A</u> (See instruction #3a on reverse side.)		*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate: % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: _____	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. 	FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.